

A-E CONTRACTING BULLETIN 96-10, 15 OCT 96

SUBJECT: SURVEY OF A-E CONTRACTING PRACTICES

1. Our memorandum of 17 June 1996 advised that we were conducting a survey of the A-E community on our contracting practices. The survey is complete and the results have just been sent to all commanders. Attached is a copy for you to share with your team members. There are 4 attachments:

- Cover memorandum to commanders (3 pages)
- CBD announcement - 20 June 1996 (1 page)
- Narrative summary (2 pages)
- Tabular summary (5 pages)

It's all in WP 6.1. I hope it prints out O.K.

2. Paragraph 3 of the cover memorandum is the "bottom line." Overall, we are doing a good job, but we need to be more timely in our selection notifications and pay more attention to the performance evaluation process. Several other items are also mentioned. Please examine your local A-E contracting practices in light of this candid feedback from the A-E community.

DON EVICK, HQUSACE, CEMP-ES  
A-E CONTRACTING PROGRAM MANAGER  
PHONE: 202-761-1053, FAX: 202-761-1649



DEPARTMENT OF THE ARMY  
U.S. Army Corps of Engineers  
WASHINGTON, D.C. 20314-1000

REPLY TO  
ATTENTION OF:

11 OCT 1996

CEMP-ES (715)

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Survey of Architect-Engineer (A-E) Contracting Practices

1. Reference memorandum, CEMP-ES, 17 June 1996, subject as above.
2. The referenced memorandum advised the field that we were conducting a survey of the A-E industry to get feedback on our A-E contracting practices. The survey has been completed and a summary report is enclosed. Specific responses for your command are also enclosed as noted on the distribution list.
3. Overall, our A-E contracting practices are professional, fair and proper, and firms are very interested in continuing to seek our work. The two main deficiencies identified were untimely notification of selection results and inattention to the A-E performance evaluation process. Firms also expressed concern that indefinite delivery contracts are too broad, many of the same firms seem to get repeatedly selected, debriefings are weak, contract award takes too long, and firms are not being notified of design errors or omissions during construction.
4. Commands need to be sensitive to the above concerns and review and adjust their practices as appropriate. We will be focusing on these A-E contracting areas in our next cycle of Engineering Quality Management Reviews.
5. Distribute this memorandum to Engineering, Contracting and other functional elements involved in the A-E contracting process in your command.
6. This memorandum has been coordinated with the Principal Assistant Responsible for Contracting.
7. HQUSACE point of contact is Donald R. Evick. P.E., CEMP-ES, 202-761-1053.

FOR THE COMMANDER:

2 Encls

*Richard C. Armstrong*  
ALBERT J. GENETTI, JR.  
Major General, USA  
Director of Military Programs

*John P. D'Aniello*  
JOHN P. D'ANIELLO, P.E.  
Acting Director of Civil Works

CEMP-ES

SUBJECT: Survey of Architect-Engineer (A-E) Contracting Practices

DISTRIBUTION: (Number of responses enclosed is shown in parentheses.)  
COMMANDER, HUNTSVILLE ENGINEERING AND SUPPORT CENTER (2)  
COMMANDER, LOWER MISSISSIPPI VALLEY DIVISION (13)  
COMMANDER, MISSOURI RIVER DIVISION (14)  
COMMANDER, NORTH ATLANTIC DIVISION (23)  
COMMANDER, NEW ENGLAND DIVISION (1)  
COMMANDER, NORTH CENTRAL DIVISION (7)  
COMMANDER, NORTH PACIFIC DIVISION (9)  
COMMANDER, OHIO RIVER DIVISION (22)  
COMMANDER, PACIFIC OCEAN DIVISION (0)  
COMMANDER, SOUTH ATLANTIC DIVISION (31)  
COMMANDER, SOUTH PACIFIC DIVISION (6)  
COMMANDER, SOUTHWESTERN DIVISION (15)  
COMMANDER, TRANSATLANTIC PROGRAM CENTER (2)  
COMMANDER, WATERWAYS EXPERIMENT STATION (1)

CF:

COMMANDER, ALASKA DISTRICT (8)  
COMMANDER, ALBUQUERQUE DISTRICT (2)  
COMMANDER, BALTIMORE DISTRICT (8)  
COMMANDER, BUFFALO DISTRICT (3)  
COMMANDER, CHARLESTON DISTRICT (1)  
COMMANDER, CHICAGO DISTRICT (0)  
COMMANDER, DETROIT DISTRICT (0)  
COMMANDER, FAR EAST DISTRICT (0)  
COMMANDER, FORT WORTH DISTRICT (7)  
COMMANDER, GALVESTON DISTRICT (1)  
COMMANDER, HONOLULU DISTRICT (0)  
COMMANDER, HUNTINGTON DISTRICT (2)  
COMMANDER, JACKSONVILLE DISTRICT (5)  
COMMANDER, JAPAN DISTRICT (0)  
COMMANDER, KANSAS CITY DISTRICT (3)  
COMMANDER, LITTLE ROCK DISTRICT (2)  
COMMANDER, LOS ANGELES DISTRICT (3)  
COMMANDER, LOUISVILLE DISTRICT (16)  
COMMANDER, MEMPHIS DISTRICT (3)  
COMMANDER, MOBILE DISTRICT (17)  
COMMANDER, NASHVILLE DISTRICT (1)  
COMMANDER, NEW ORLEANS DISTRICT (1)  
COMMANDER, NEW YORK DISTRICT (8)  
(CONT)

CEMP-ES

SUBJECT: Survey of Architect-Engineer (A-E) Contracting Practices

CF: (CONT)

COMMANDER, NORFOLK DISTRICT (1)

COMMANDER, OMAHA DISTRICT (11)

COMMANDER, PHILADELPHIA DISTRICT (6)

COMMANDER, PITTSBURGH DISTRICT (3)

COMMANDER, PORTLAND DISTRICT (0)

COMMANDER, ROCK ISLAND DISTRICT (1)

COMMANDER, SACRAMENTO DISTRICT (1)

COMMANDER, SAN FRANCISCO DISTRICT (2)

COMMANDER, SAVANNAH DISTRICT (8)

COMMANDER, SEATTLE DISTRICT (1)

COMMANDER, ST. PAUL DISTRICT (3)

COMMANDER, ST. LOUIS DISTRICT (6)

COMMANDER, TRANSATLANTIC PROGRAM CENTER (EUROPE) (0)

COMMANDER, TULSA DISTRICT (3)

COMMANDER, VICKSBURG DISTRICT (3)

COMMANDER, WALLA WALLA DISTRICT (0)

COMMANDER, WILMINGTON DISTRICT (0)

COMMERCE BUSINESS DAILY ANNOUNCEMENT - 20 JUNE 1996

**C - SURVEY OF A-E CONTRACTING PRACTICES IN THE U.S. ARMY CORPS OF ENGINEERS.** The Corps relies heavily on the services of private A-E firms in executing its missions, and values its relationships with the A-E community. The Corps is conducting this voluntary, anonymous survey of its A-E contracting practices to determine where improvements may be needed. A-E firms who have applied for or been awarded a Corps A-E contract in the last 2 years are encouraged to respond. If interested, submit a separate response for each Corps office involved. Firms may also submit a separate response for each solicitation or contract to reflect different experiences with the same Corps office. Use plain paper. Indicate the name of the Corps office, the question number and corresponding numerical response (5=strongly agree; 4=agree; 3=no opinion; 2=disagree; 1= strongly disagree). **QUESTIONS:** 1. The Commerce Business Daily announcement clearly described the project, selection criteria and submission requirements. 2. The Corps notified us in a timely manner how we did in the selection process. 3. Our request for a selection debriefing was promptly satisfied by the Corps. 4. The debriefing clearly indicated why our firm was not selected and will help us to better compete for future projects. 5. The debriefing indicated that the selection process was fair and in accordance with the announced selection criteria. **SKIP TO QUESTION 24 IF YOU WERE NOT SELECTED FOR NEGOTIATIONS.** 6. The statement of work was complete and clear. 7. The Corps negotiators discussed the contract clauses regarding our professional responsibilities. 8. The negotiations were fair and professional. 9. The negotiations were conducted in a timely manner. 10. We were advised during the negotiation phase about the performance evaluation process. **SKIP TO QUESTION 24 IF YOU WERE NOT AWARDED A CONTRACT.** 11. After we reached agreement, the contract was promptly awarded. 12. The Corps provided effective and timely support and guidance throughout the performance of the contract. 13. Our products were reviewed by the Corps and the customer in a timely manner. 14. The review comments improved the quality of our products. 15. We were paid promptly. 16. We were fairly compensated for contract changes. 17. We were regularly advised of the quality of our performance throughout the contract. 18. We were given a copy of our performance evaluation soon after the completion of the design or engineering phase of the contract. 19. The evaluation of our performance was fair. **SKIP TO QUESTION 24 IF YOU DID NOT DESIGN A PROJECT THAT WAS CONSTRUCTED.** 20. We were promptly informed of any ambiguities, errors or omissions in our plans and specifications during construction and allowed to clarify or correct them in the most effective manner. 21. The Corps was fair in assessing liability for design errors or omissions. 22. We were fairly compensated for services we provided during construction. 23. We received a prompt and fair performance evaluation at the completion of construction. 24. We will continue to seek work with the Corps of Engineers. You may also include any narrative comments that would help the Corps improve and streamline its A-E contracting process. Return your completed survey(s) in a plain envelope by 9 August 1996 to: Headquarters, U.S. Army Corps of Engineers, Attn: CEMP-ES/A-E Survey, 20 Massachusetts Ave., N.W., Washington, D.C. 20314-1000. The survey results on the Corps' Internet home page(<http://www.usace.army.mil>) in October, 1996.

## SURVEY OF ARCHITECT-ENGINEER CONTRACTING PRACTICES IN THE U.S. ARMY CORPS OF ENGINEERS

### PURPOSE

The Corps of Engineers relies heavily on private architect-engineer (A-E) firms in executing its missions, procuring about \$750,000,000 in A-E services annually. Hence, the Corps is very concerned that its A-E contracting practices are effective and efficient, and are perceived as professional and fair by the A-E community. Accordingly, the Corps conducted a survey to get direct feedback from A-E firms on its contracting practices. The survey results will guide the Corps in improving its A-E contracting program.

### SURVEY METHOD AND RESPONSE

The attached survey was published in Section C, Architect-Engineer Services, of the Commerce Business Daily on 20 June 1996. The survey was voluntary and anonymous. There were 24 questions with five adjectival response choices: "strongly agree", "agree", "no opinion", "disagree", or "strongly disagree". Narrative comments were also encouraged.

A "response index" was computed for each question by assigning +2 for each "strongly agree", +1 for each "agree", -1 for each "disagree", and -2 for each "strongly disagree", and computing the weighted average. A summary adjectival rating was then given to the responses to each question based on the following scoring system: 2.0 to 1.5 = "very good"; 1.5 to 0.5 = "good"; 0.5 to -0.5 = "marginal"; -0.5 to -1.5 = "poor"; and, -1.5 to -2.0 = "very poor".

Firms could comment on the Corps overall, on individual districts, or on specific solicitations or contracts, each of which was treated as a separate response. A total of 164 responses concerning 35 Corps offices were received from 58 A-E firms. Ten percent of the responses did not identify a particular office and were assumed to apply to the Corps overall.

This report only presents a Corps-wide summary and will not address individual offices. The survey results for specific offices have been separately provided to those offices.

### SUMMARY OF RESPONSES

The attached table presents the survey results. In the view of the A-E community, USACE A-E contracting practices are generally professional, fair and proper, and firms are very interested in continuing to seek our work. However, USACE is doing a marginal job in two areas:

o Firms are not being notified in a timely manner of how they did in the selection process (Question 2). Engineer Federal Acquisition Regulation Supplement (EFARS) 36.607(a) requires that all firms shall be notified within 10 days after selection approval. Hence, commands must do a better job of notifying A-E firms of their selection status within the required time period.

o Firms are not being advised of the performance evaluation process during negotiations, not being regularly apprised of the quality of their work during the contract, and not being given copies of their performance evaluations at the completion of the design and construction phases (Questions 10, 17, 18, and 23). All of these requirements are clearly established in Engineer Regulation 715-1-17, A-E Performance Evaluation, and in EFARS 36.604. Hence, commands must place greater emphasis on the A-E performance evaluation process throughout the course of each A-E contract.

In addition to the above two important areas, A-E firms expressed concern about the following:

o Indefinite delivery contracts are too broad. The type of work is not specific and too many disciplines and certifications are required.

o The same firms seem to get selected repeatedly, especially local firms.

o Debriefings are not specific enough.

o Contracts take too long to award after negotiations are completed.

o Firms are not being notified of design errors or omissions during construction.

Commands need to be sensitive to the above concerns and review and adjust their practices as appropriate.

2 Attachments

# SURVEY OF ARCHITECT-ENGINEER CONTRACTING PRACTICES IN THE U.S. ARMY CORPS OF ENGINEERS

QUESTION	ADJECTIVAL RESPONSES				RESPONSE INDEX	REPRESENTATIVE NARRATIVE RESPONSES
	STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE		
1. The Commerce Business Daily announcement clearly described the project, selection criteria and submission requirements.	48	84	5	1	1.3  GOOD	<ul style="list-style-type: none"> <li>- The Corps has done a good job of standardizing the selection process.</li> <li>- Instructions and limitations for block 10 would make preparation of SF 255's much easier and would probably simplify your reviews.</li> <li>- CBD notices are comprehensive, except in identifying project types to allow A-E to better tailor submittal.</li> <li>- CBD notices consistently require staff with many different engineering disciplines and at least 2 staff members in each discipline, which makes it difficult for small firms to respond.</li> <li>- Project description was extremely vague.</li> <li>- CBD notices are generally quite thorough.</li> <li>- There should be some safeguards concerning thoughtless requirements for certain certifications or expertise.</li> <li>- CBD notice was very broad which definitely favored larger firms.</li> <li>- CBD notices wanted every type of consultant under the sun on the design team. Hence, we do not respond to Corps announcements.</li> </ul>
2. The Corps notified us in a timely manner how we did in the selection process.	36	48	31	17	0.4  MAR- GINAL	<ul style="list-style-type: none"> <li>- 3-4 months for notification is unreasonable.</li> <li>- Frequently not notified unless we called.</li> <li>- We have been waiting over a year.</li> <li>- Our notification experience runs from very timely to no notification at all.</li> </ul>
3. Our request for a selection debriefing was promptly satisfied by the Corps.	24	33	8	9	0.7  GOOD	<ul style="list-style-type: none"> <li>- Scheduling a debriefing frequently took 4-6 weeks.</li> <li>- I was never able to get a full debriefing.</li> <li>- The majority of our written requests for debriefing go unanswered. In some cases, debriefings were conducted after several requests.</li> </ul>



# SURVEY OF ARCHITECT-ENGINEER CONTRACTING PRACTICES IN THE U.S. ARMY CORPS OF ENGINEERS

QUESTION	ADJECTIVAL RESPONSES				RESPONSE INDEX	REPRESENTATIVE NARRATIVE RESPONSES
	STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE		
4. The debriefing clearly indicated why our firm was not selected and will help us to better compete for future projects.	20	24	16	6	0.5 GOOD	<ul style="list-style-type: none"> <li>- Debriefings were vague.</li> <li>- Good , thorough, accurate, informative debriefings. Knowledgeable, fair, communicative approach.</li> <li>- Experience with the Corps is a significant factor in the process. This eliminates many qualified firms.</li> <li>- Very helpful debriefings have been received.</li> <li>- Debriefing was very general in nature.</li> <li>- Debriefing was not well prepared and the debriefing was of little help.</li> <li>- A lack of knowledge in the locality was cited. It sounds like a "Catch 22" situation in which you cannot get work from the district if you have not worked for the district.</li> <li>- The number of proposed subconsultants was cited as reflecting a lack of in-house capability. The CBD notice required a wide range of technical expertise, some of which a mid-sized firm such as ours would not normally have on-board. We also made a determined effort to include both local firms (firms that had previously worked for the district) and small, disadvantaged, and women-owned firms.</li> </ul>
5. The debriefing indicated that the selection process was fair and in accordance with the announced selection criteria.	17	29	5	6	0.8 GOOD	<ul style="list-style-type: none"> <li>- Reasons given for not being selected did not relate to what we submitted.</li> <li>- The same small group of 5 or 6 firms have shared the bulk of the awards.</li> <li>- The same firms seem to be selected over and over.</li> <li>- We were not selected based on our lack of experience in new facility design although this was not a big part of the work.</li> <li>- One sometimes senses a strong unwritten preference for local firms.</li> <li>- Across the board, the Corps does a far better job than other Federal agencies.</li> </ul>
6. The statement of work was complete and clear.	19	55	9	2	0.9 GOOD	<ul style="list-style-type: none"> <li>- We incurred substantial costs on these potential projects which did not result in delivery orders being issued. The district did not have the scope of work clearly defined prior to issuing the RFP.</li> </ul>
7. The Corps negotiators discussed the contract clauses regarding our professional responsibilities.	25	42	10	3	1.0 GOOD	<ul style="list-style-type: none"> <li>- Contract clauses discussed only if A-E asks questions.</li> </ul>

# **SURVEY OF ARCHITECT-ENGINEER CONTRACTING PRACTICES IN THE U.S. ARMY CORPS OF ENGINEERS**

QUESTION	ADJECTIVAL RESPONSES				RESPONSE INDEX	REPRESENTATIVE NARRATIVE RESPONSES
	STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE		
8. The negotiations were fair and professional.	28	39	10	4	1.0 GOOD	<ul style="list-style-type: none"> <li>- We felt that the prices were not truly negotiable, but were being given as an ultimatum.</li> <li>- Negotiations were handled very professionally and competently and we felt that a fair and reasonable price was generally negotiated for each delivery order.</li> <li>- The technical people were not trained to analyze the project cost breakdowns.</li> <li>- We decided that it was not commercially viable to work at the rates offered by the Corps. This was the first Corps contract that we failed to negotiate since 1987.</li> <li>- Some negotiators do not allow A-E to be paid for items that other negotiators do allow.</li> <li>- We had an IDC which was administered by a using agency. We were held to ridiculously low fees and lost money on virtually every delivery order. A bad experience due to the people we had to deal with at the installation. We now have a contract directly with the district which is going much better.</li> </ul>
9. The negotiations were conducted in a timely manner.	28	36	13	8	0.7 GOOD	<ul style="list-style-type: none"> <li>- The progress of the contract negotiations and award was slow.</li> <li>- The process took about a year.</li> </ul>
10. We were advised during the negotiation phase about the performance evaluation process.	10	32	25	7	0.2 MAR- GINAL	<ul style="list-style-type: none"> <li>- Cannot recall an instance where this occurred.</li> </ul>
11. After we reached agreement, the contract was promptly awarded.	20	41	14	7	0.6 GOOD	<ul style="list-style-type: none"> <li>- Contracts Department was very slow processing paperwork.</li> <li>- Work orders fell far short of IDC amount.</li> <li>- It took almost 2 years between the time we were selected and contract award.</li> <li>- It took only 9 days.</li> </ul>
12. The Corps provided effective and timely support and guidance throughout the performance of the contract.	15	48	13	1	0.8 GOOD	<ul style="list-style-type: none"> <li>- At times, the Corps were unable to provide requested guidance or information.</li> <li>- The Corps' project manager was very competent, fair and good to work with.</li> </ul>
13. Our products were reviewed by the Corps and the customer in a timely manner.	23	33	12	2	0.9 GOOD	<ul style="list-style-type: none"> <li>- Reviews almost always take longer than the Corps' schedule calls for, sometimes by a month or more.</li> </ul>

SURVEY OF ARCHITECT-ENGINEER CONTRACTING PRACTICES IN THE U.S. ARMY CORPS OF ENGINEERS						
QUESTION	ADJECTIVAL RESPONSES				RESPONSE INDEX	REPRESENTATIVE NARRATIVE RESPONSES
	STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE		
14. The review comments improved the quality of our products.	20	43	5	2	1.1 GOOD	---
15. We were paid promptly.	31	40	4	4	1.1 GOOD	- 10% retainage for 5-6 years is a hindrance to running a business.
16. We were fairly compensated for contract changes.	23	32	5	3	1.1 GOOD	- The Corps is very good about recognizing extra work.
17. We were regularly advised of the quality of our performance throughout the contract.	17	28	16	9	0.4 MAR- GINAL	- The district was very forthright with any concerns they had about the quality of our work. - We received very little feedback on performance.
18. We were given a copy of our performance evaluation soon after the completion of the design or engineering phase of the contract.	13	13	20	22	-0.4 MAR- GINAL	- No performance evaluations have been received. - Copy of performance evaluation provided only if A-E requested it. - Our most recent evaluation was completed and sent to ACASS 2+ years after contract completion. A copy was not sent to us.
19. The evaluation of our performance was fair.	11	25	1	6	0.8 GOOD	- Don't be afraid to give outstanding ratings.
20. We were promptly informed of any ambiguities, errors or omissions in our plans and specifications during construction and allowed to clarify or correct them in the most effective manner.	6	29	7	2	0.7 GOOD	- Minimal involvement in construction phase of most projects. Frequently found out about alleged ambiguities or errors after someone within Corps had taken action, which we may or may not have agreed with. - We were not notified of changes during construction and then held accountable for resulting problems.
21. The Corps was fair in assessing liability for design errors or omissions.	10	18	6	3	0.7 GOOD	- Corps construction office was very quick to call any problem during construction a "design error," although they were not familiar with the A-E's scope of work or the Corps' direction to A-E during design phase. - The District's A-E liability process is exemplary. Only suggestion is earliest possible notification and involvement by design A-E.

# SURVEY OF ARCHITECT-ENGINEER CONTRACTING PRACTICES IN THE U.S. ARMY CORPS OF ENGINEERS

QUESTION	ADJECTIVAL RESPONSES				RESPONSE INDEX	REPRESENTATIVE NARRATIVE RESPONSES
	STRONGLY AGREE	AGREE	DISAGREE	STRONGLY DISAGREE		
22. We were fairly compensated for services we provided during construction.	12	16	7	3	0.7 GOOD	---
23. We received a prompt and fair performance evaluation at the completion of construction.	9	12	11	7	0.1 MAR- GINAL	- Have never received a construction phase evaluation. - Only received a copy of evaluation if A-E requested it.
24. We will continue to seek work with the Corps of Engineers.	91	34	1	2	1.6 VERY GOOD	- We are reluctant to spend time and money pursuing work with the ---- District. They do not value the effort required to make a submittal and are very casual about communicating selections and debriefing information. - Keep the same positive Corps project manager on the project from start to finish. - The use of IDCs for soils and survey work can fragment a project and cost the Government more due to coordination problems. - All project managers were very professional. - The Corps is among the most forthright, fair and partnering-oriented Federal agencies. - We find the Corps to be one of the most professionally competent organizations to work with. -We have had only one incident where we felt that there was a complete breakdown of the selection process. Otherwise, we have always been impressed with the professional attitude of the Corps.